

D.T.E. 99-94-I

Application of North Attleboro Gas Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of Telecommunications and Energy of the Company's proposed surcharge for the Residential Energy Conservation Service Program for Calendar Year 2000 (January 1, 2000 through December 31, 2000). North Attleboro Gas Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

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FOR: NORTH ATTLEBORO GAS COMPANY

Petitioner

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Intervener

## I. INTRODUCTION

On December 23, 1999, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., North Attleboro Gas Company ("North Attleboro" or "Company") filed with the Department of Telecommunications and Energy ("Department") a Petition for Approval ("Petition") by the Department of the Company's proposed surcharge of \$0.17 per monthly bill for the residential energy conservation service ("ECS") program for the calendar year January 1, 2000 through December 31, 2000 ("CY2000"). North Attleboro is a member utility of Mass-Save, Inc. ("MSI"), which provides ECS to the Company's customers on behalf of North Attleboro. The petition was docketed as D.T.E. 99-94-I.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on January 4, 2000. The Division of Energy Resources was granted intervener status. In support of its petition, the Company sponsored the testimony of one witness at the hearing: Michael J. Harn, pricing analyst for Providence Gas Company.<sup>(1)</sup>

## II. ECS SURCHARGE

The ECS surcharge is calculated by dividing the net amount to be collected to support ECS services by the total number of bills expected to be rendered during CY2000 (Petition at 1, 2). The Company indicated that its share of MSI's proposed CY 2000 ECS program budget, approved by the Department in Mass-Save, Inc., D.T.E. 99-94 (1999), is \$6,200.00 (id. at 1). The Company has also budgeted for estimated direct expenses of \$350.00 (Petition at Exh. NAG-1). In addition to the projected ECS program expenditures, the Company provided documentation which reconciled undercollections and overcollections from prior fiscal years (id.). The effect of reconciling these items is a cumulative overcollection of \$556.00 for the period from 1981 through 1999, and an undercollection of \$2,634.00 for the prior billing period July 1, 1999 through December 31, 1999, approved by the Department in North Attleboro Gas Company, D.T.E. 99-46-I (1999) (Petition at 1). Adjusting the budget amount by these under and overcollections results in a net amount to be collected in CY 2000 of \$8,278.00 (id.).

For CY 2000, the Company proposed an ECS surcharge of \$0.17 per bill per month (id.; Tr. at 6). The proposed ECS surcharge is \$0.11 more than the Company's current ECS surcharge of \$0.06, approved by the Department in D.T.E. 99-46-I (1999), for the six month period from July 1, 1999 through December 31, 1999. The Company witness testified that the reason for the increase in the CY 2000 surcharge factor was the result of (1) a need to increase the recovery for its ECS operating budget in the amount of \$2,258.00 from the previous filing, and (2) a decrease in overcollections from the previous filing in the amount of \$3,089.00 (Petition at 2; Tr. at 7).

The Company witness testified that in the previous filing, the Company made a gross error in its calculations for the approved period (Tr. at 8). In the Company's July 1999 ECS surcharge filing, the projected costs received from MSI totaled \$3,592.00 (id. at 8). See D.T.E. 99-46-I (1999). Those costs were intended to be for the approved six month period from July 1, 1999 through December 31, 1999 (id.). In developing its rate, however, the Company stated that it incorrectly treated those costs as though they were twelve month costs (id.). The effect of this was that the Company incorrectly calculated an ECS surcharge in D.T.E. 99-46-I that was approximately half what it should have been (i.e., \$.06 rather than \$.12)(id.). Therefore, in order to recover the undercollection from the previous period, the Company has proposed a surcharge in this filing of \$.17 for the period February 1, 2000 through December 31, 2000 (Petition at 2, Tr. at 6, 7).<sup>(2)</sup>

### III. FINDINGS

Based on the foregoing, the Department finds that:

1. the proposed CY 2000 ECS program budget, budget reconciliations, and proposed CY 2000 surcharge, are reasonable; and
2. the ECS surcharge to be applied to Company bills during the calendar year February 1, 2000 through December 31, 2000 shall be \$0.17 per bill per month.

### IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to North Attleboro Gas Company bills during the period February 1, 2000 through December 31, 2000 shall be \$0.17 per bill per month; and it is

FURTHER ORDERED: That North Attleboro Gas Company shall file for a reconciliation to its ECS surcharge in its next ECS filing, no later than November 29, 2000.

By Order of the Department,

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James Connelly, Commissioner

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W. Robert Keating, Commissioner

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Eugene J. Sullivan, Jr., Commissioner

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Paul B. Vasington, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk

of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).

1. <sup>1</sup> Providence Gas Company and North Attleboro Gas Company are owned by Providence Energy Corporation, and Providence Gas Company performs some regulatory work on behalf of North Attleboro.

2. At the hearing, the Department granted the Company's request to continue collecting an ECS surcharge of \$0.06 per bill until the Department issues a Final Order in this proceeding (Tr. at 15).